



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

David A. Vaudt, CPA  
Auditor of State

**NEWS RELEASE**

FOR RELEASE August 24, 2011

Contact: Andy Nielsen  
515/281-5834

Auditor of State David A. Vaudt today released a report on the Iowa Department of Natural Resources for the year ended June 30, 2010.

The Department has the primary responsibility for state parks and forests, protecting the environment and managing energy, fish, wildlife, land and water resources in the state.

Vaudt recommended the Department review policies and procedures covering internal control over receipts at field offices and capital assets. The Department should develop written procedures for the reconciliation of receipts for the online reservation system. In addition, the Department should ensure a detailed, up-to-date capital asset listing is maintained by Central Office to accurately report information required for financial statement presentation. Vaudt also reported the Department had not complied with certain statutory requirements concerning its operations during the year ended June 30, 2010. The Department's responses are included in the report.

A copy of the report is available for review in the Iowa Department of Natural Resources, in the Office of Auditor of State and on the Auditor of State's website at <http://auditor.iowa.gov/reports/1160-5420-BR00.pdf>.

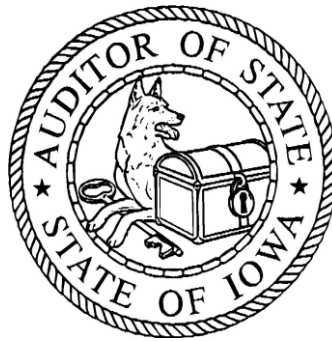
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**REPORT OF RECOMMENDATIONS TO THE  
IOWA DEPARTMENT OF NATURAL RESOURCES**

**JUNE 30, 2010**

Office of  
**AUDITOR  
OF STATE**  
State Capitol Building • Des Moines, Iowa



**David A. Vaudt, CPA**  
**Auditor of State**





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August 18, 2011

To the Members of the Iowa Environmental Protection  
and Natural Resource Commissions:

The Iowa Department of Natural Resources is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2010.

In conducting our audits, we became aware of certain aspects concerning the Department's operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations, which include those reported in the State's Report on Internal Control and other recommendations pertaining to the Department's internal control and compliance with statutory requirements and other matters. These recommendations have been discussed with Department personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Department's responses, we did not audit the Iowa Department of Natural Resources' responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Department of Natural Resources, citizens of the State of Iowa and other parties to whom the Iowa Department of Natural Resources may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Department during the course of our audits. Should you have questions concerning the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Department are listed on page 20 and they are available to discuss these matters with you.

A handwritten signature in black ink, reading "David A. Vaudt".

DAVID A. VAUDT, CPA  
Auditor of State

A handwritten signature in black ink, reading "Warren G. Jenkins".

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

cc: Honorable Terry E. Branstad, Governor  
David Roederer, Director, Department of Management  
Glen P. Dickinson, Director, Legislative Services Agency

June 30, 2010

**Finding Reported in the State's Single Audit Report:**

No matters were noted.

**Findings Reported in the State's Report on Internal Control:**

- (1) Capital Assets – Chapter 7A.30 of the Code of Iowa requires each department of the state to maintain a written, detailed and up-to-date inventory of property under its charge and control. The following were noted:
  - (a) Segregation of duties does not exist between the recording and reconciliation functions for capital assets.
  - (b) In prior fiscal years, the Department performed a monthly reconciliation of capital asset additions and deletions from manual spreadsheets to the capital asset systems/databases. However, the following were noted:
    - (1) Monthly reconciliations were not performed during the fiscal year. Capital assets were added to the systems/databases at year end. However, no evidence documenting a year-end reconciliation was provided.
    - (2) An adjustment for equipment of \$7,800 was not updated adequately on the access capital assets system database causing an understatement in equipment.
    - (3) Central office received confirmation for four equipment deletions for \$53,564 which were not deleted on the access database, causing an overstatement in capital assets.
  - (c) The Department performs a monthly reconciliation of capital asset additions to I/3 expenditures. However, the following were noted:
    - (1) The written procedures for the reconciliation process are outdated. In addition, written procedures have not been developed to annually reconcile the monthly reconciliations to annual financial reporting.
    - (2) The reconciliation was not reviewed by someone independent of the reconciliation process.
    - (3) Reconciliations were not performed timely.
    - (4) The Department utilizes an access database and a mainframe land system to track capital asset activity. Although the access database system has the ability to generate a listing of additions and deletions, the mainframe land system cannot generate these listings for financial statement reporting. Information for land from the mainframe system is downloaded and additions and deletions are determined for financial reporting independently. A reconciliation is not performed between the tracking systems and information reported in the GAAP package for financial reporting.
    - (5) One capital asset reported as an addition for \$7,000 was owned by another entity.
    - (6) Construction in progress of \$3,528,661 was omitted from construction in progress on the capital assets listing. This was resolved for audit purposes.

Report of Recommendations to the Iowa Department of Natural Resources

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- (d) The Honey Creek Premier Destination Park (Honey Creek) construction in progress additions reported in the GAAP package were reconciled with expenditures reported in the I/3 system. However, there are no written procedures on the reconciliation and reporting process.
- (e) Monona County contributed \$842,176 to the Department through a joint agreement for the Lewis and Clark Visitor Center which was not included as an addition to construction in progress. This was resolved for audit purposes.
- (f) An item for \$43,000 previously reported as construction in progress was reclassified as a building. The item capitalized was a building improvement which did not meet the threshold of \$50,000 and, accordingly, should not have been capitalized.
- (g) Department procedures include confirming infrastructure with field personnel annually. Confirmations were not sent during the year.

Recommendation – The Department should update current written procedures, develop additional written procedures and follow established procedures to ensure a detailed, up-to-date capital asset listing is maintained and properly reported for financial statement purposes. Procedures should include, but not be limited to, a review of the reconciliation performed by accounting staff and a reconciliation between the Department's tracking system and amounts included in the GAAP package for financial reporting. These reconciliations should be performed timely and should be reviewed by an independent person. In addition, the Department should implement controls to ensure proper segregation of duties exists between the recording and reconciliation functions for capital assets.

Response – The staff person responsible for recording and tracking all of the DNR's capital assets retired unexpectedly in January 2010 and had not updated any capital assets listings since the end of fiscal year 2009. Due to hiring restrictions, the Department was unable to hire a replacement for this position until October 2010. In order to complete fiscal year 2010, an accounts payable staff person was temporarily assigned to update the capital asset databases in addition to performing their normal job duties. Due to the complexity and volume of DNR's capital assets activity, it is necessary to have a full-time employee dedicated to these job duties to ensure all assets are properly recorded and all reconciliations are properly completed. Since being hired, the new staff person has been working on revising capital assets written procedures including adding provisions for required reconciliations and proper segregation of duties as well as adjusting the asset listings to correct the noted audit findings.

Conclusion – Response accepted.

- (2) Payroll – The Department processes and records payroll and personnel information on the Human Resource Information System (HRIS). The Human Resource Associates utilize an online P-1 document to initiate and approve payroll actions, such as adding new employees and recording pay raises. Two individuals within the Department have the ability to initiate and approve timesheets.

Recommendation – To strengthen controls, the Department should develop and implement procedures to segregate the duties of the Human Resource Associates from the duties of payroll.

## Report of Recommendations to the Iowa Department of Natural Resources

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Response – The Department employs two Human Resource Associates in our payroll and personnel section. Because both of these employees must process and record payroll and personnel information and serve as each other's backup, it is not possible to completely segregate the duties of initiating and approving payroll actions on the HRIS system. In an attempt to strengthen controls, we maintain a listing of all full time employees by cost center which is compared to the table of organization on a quarterly basis by an independent, third person to ensure employees have not been added without proper approval. Additionally, a quarterly time report is posted to the intranet for supervisors to review to ensure all of the employees being charged have been properly authorized.

Conclusion – Response accepted.

- (3) Financial Reporting – The Department records receipts and disbursements on the Integrated Information for Iowa (I/3) system throughout the year, including the accrual period. Activity not recorded on the I/3 system is reported to the Department of Administrative Services – State Accounting Enterprise (DAS–SAE) on a GAAP package. The GAAP package is to be submitted to DAS–SAE by the first week of September each year. The following were noted:
- (a) The Department did not reflect the change in deferred revenue when reporting Condition 5 federal funds in the GAAP package. The information in the GAAP package is used to prepare journal entries for the financial statements. As a result, sales, rents and services was understated and federal support was overstated approximately \$614,000. This was properly adjusted for reporting purposes.
  - (b) The Department overstated a loan receivable for the Landfill Alternative Financial Assistance Program by \$167,000. This was properly adjusted for reporting purposes.
  - (c) The Department understated cash balances on the GAAP package by approximately \$6,500.

Recommendation – The Department should ensure the GAAP package information reported is accurate.

Response –

- (a) The Department inadvertently reported the total Condition 5 revenue received during the fiscal year instead of the amount actually expended/earned during the year. A notation has been placed in the GAAP package file to ensure the correct amount is reported on the Federal Grants page of the GAAP package in the future.
- (b) The loan tracking spreadsheet which is utilized to prepare the GAAP package was not updated to reflect a loan agreement which had been amended to a lower amount. Loan agreement amendments such as this are not a common occurrence. The error has been communicated to the person responsible for maintaining the spreadsheet to ensure loans are accurately reported in the future.
- (c) The staff person preparing the June 30 cash balance listing for the GAAP package inadvertently recorded the wrong dollar amount from one of the Park's bank statements. In the future, the Department will ensure the information reported is accurate.

Conclusion – Response accepted.



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### **Other Findings Related to Internal Control:**

- (1) Field Offices – Eighteen sites were selected for on-site review, including twelve state parks, one Wildlife Unit, one Management Office, one Forestry Office, one hatchery and two Research Stations. During the on-site visits, internal controls were reviewed and certain receipts and capital assets were tested. The following were noted:

#### Capital Assets

- (a) Two sites had equipment on site which was not included on the year end equipment listing.
- (b) Four sites had capital assets which were not properly tagged.

#### Internal Control

- (a) Ten sites lacked segregation of duties related to responsibilities for the collection, deposit and reconciliation of receipts. In addition, two sites did not maintain bank deposit slips.
- (b) Three sites did not prepare an initial receipts listing. Also, seven sites had no evidence of a reconciliation of recorded/deposited receipts to the initial listing.
- (c) Four sites had fewer coupon books than Central Office had listed and the auditor was able to verify through observation.
- (d) Two sites were not restrictively endorsing checks upon receipt.
- (e) One site did not prepare guest occupancy listings or log sheets. Also, one site did not retain guest occupancy listings or log sheets.
- (f) Receipts were not counted by an independent person in a secure location at one site.
- (g) Ten sites do not return unused miscellaneous receipt books to Central Office by fiscal year end. Also, four sites have miscellaneous receipt books on-hand which are not included on the listing maintained by Central Office.
- (h) Four sites lacked segregation of duties related to responsibilities for the collection and deposit of the petty cash fund. Also, no independent reconciliation of petty cash is performed.
- (j) Two sites had not deposited receipts within ten days as required by Chapter 12 of the Code of Iowa.

Recommendation – The Department should review policies and procedures to ensure adequate controls are in place and policies and procedures are communicated to field office personnel.

Response – The Department does have specific written policies and procedures in place regarding controls over capital assets and receipts and does regularly communicate the established policies and procedures to the outlying DNR field offices. Due to the wide-spread and large number of outlying locations and ongoing turnover in personnel, however, it is difficult to ensure field personnel are following all established internal control procedures 100 percent of the time. It should be also be noted that in field locations where there is only one full-time employee, segregation of duties is simply not practicable.

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The capital asset listings are updated on an on-going basis as often as practicable throughout the year, but there will always be timing issues between when capital asset items are purchased, disposed of or transferred out in the outlying DNR locations versus when the capital assets listing is updated.

The Department does plan to review these issues with our field staff to underscore the importance of following our established policies and procedures. We are also in the process of reviewing our existing procedures in an effort to strengthen controls where necessary.

Conclusion – Response accepted.

- (2) Online Reservation Receipts – Online reservations are taken for campsites, cabins and lodges at State Park locations throughout Iowa. Payments for these reservations can either be made by credit card or mailed to a post office box. Iowa Interactive Development is under contract with the Department to collect the mail payments, deposit them and transfer the funds to the Department. The Department does not prepare a monthly reconciliation between the online Sales and Commission report and I/3.

Recommendation – The Department should develop written procedures and prepare a reconciliation between the online Sales and Commission report and I/3 monthly.

Response – In February 2011, the Department implemented a new online State Parks reservations system through a different vendor. Prior to this, the Department had been experiencing ongoing reconciliation issues with the previous system developed by Iowa Interactive Development and these issues went unresolved despite many attempts to work with the vendor. The Active Network, the contracted vendor for the new system, has 25 years of experience in the park reservation business supporting 41 state, federal and county park systems.

The Department does currently reconcile online reservation system transactions to I/3 on a daily basis and will be developing and implementing written procedures for monthly reconciliations for the new system.

Conclusion – Response accepted.

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**Findings Related to Statutory Requirements and Other Matters:**

- (1) Iowa Code Compliance – The Department was not in compliance with the following provisions of the Code of Iowa during the year ended June 30, 2010:

- (a) Toll Free Reporting Number – Chapter 455B.116 states the Department shall create a toll-free number to allow citizens to report instances resulting in the pollution of the environment or damage to natural resources.

The Department has not established the required toll free number.

- (b) Compliance Advisory Panel – Chapter 455B.150 states the Department shall create a compliance advisory panel pursuant to Title V, section 507(e) of the Federal Clean Air Act Amendments of 1990 to review and report on the effectiveness of the small business technical assistance program.

A compliance advisory panel has not been created.

- (c) Water Well Construction – Chapter 455B.187 states contractors are to provide required information to the Department and the Iowa Geological Survey within thirty days after construction or reconstruction of a well.

The Department has not monitored whether the required information is being submitted timely.

- (d) Permits for Diversion, Storage and Withdrawal – Chapter 455B.265(1) states the Department shall approve or deny an application for a permit within ninety days from the date which the application is received. Also, a renewal permit shall be approved or denied by the Department within thirty days from the date which the application is received.

The Department has not met the time requirements for new permits and renewals.

- (e) Adoption of Rules – Chapter 455B.412(2) states the Department shall adopt rules applicable to generators or transporters of or owners or operators of facilities for the treatment, storage or disposal of hazardous waste listed or identified by the Department as necessary to protect human health and the environment, including establishment of a manifest system.

The Department has not adopted the required rules.

- (f) Hazardous Waste Water Treatment – Chapter 455B.412(3) states the Department shall adopt rules for certifying supervisory personnel and operators of hazardous waste treatment, storage or disposal facilities.

The Department has not adopted the required rules.

- (g) Administration of Examinations – Chapter 455B.413(2) states the Department shall administer examinations to determine the competence of operators and supervisory personnel at facilities for the treatment, storage or disposal of hazardous waste which are required to have a permit under Section 455B.415. Also, the Director of the Department shall issue, revoke, suspend or deny certificates for competency for individuals as supervisory or operating personnel at facilities for the treatment, storage or disposal of hazardous waste.

The Department has not complied with this Code section.

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- (h) Permit for Hazardous Wastes – Chapter 455B.415(3) states the Commissions shall specify information required to be submitted with the application for a permit and the conditions under which the Director shall issue, deny, revoke, suspend or modify permits.

The Department has not complied with this Code section.

- (i) Hazardous Waste and Facilities License – Chapter 455B.443(2) states the Director shall require the owner/operator of the facility to submit an application requesting a site license to be issued within fifteen days of the date the notice to construct a facility is last published.

The Department has not complied with this Code section.

- (j) Land Burial Surcharge Tax – Chapter 455B.455 states the Department shall require a land burial surcharge tax of two percent to be imposed for land burial of a hazardous waste.

The Department has not complied with this Code section.

- (k) Annual Report Requirement – Chapter 455B.484(9) states the Department shall include information outlining the activities of the Department in carrying out programs and responsibilities and identify the trends and developments in the management of waste in the annual report submitted to the Governor and General Assembly as required by Chapter 455A.4.

The Department has not complied with this Code section.

- (l) Research Proposals – Chapter 455B.484(10) states the Department shall solicit proposals from public and private agencies to conduct hazardous waste research and to develop and implement storage, treatment and other hazardous waste management practices.

The Department has not solicited the required proposals.

- (m) Infectious Waste Treatment – Chapter 455B.503 states the Commission shall adopt rules which require a person who owns or operates an infectious waste treatment or disposal facility to obtain an operating permit before initial operation of the facility.

The Commission has not adopted the required rules.

- (n) Infectious Medical Waste Collection and Transport – Chapter 455B.504 states the Commission shall adopt rules which require a person who owns or operates an infectious medical waste collection or transportation operation to obtain an operating permit before initial operation of the facility.

The Commission has not adopted the required rules.

- (o) Toxic Pollution Prevention Program – Chapter 455B.517(1) states the Department shall establish the criteria for the development of the toxic pollution prevention program.

The Department has not established the required criteria.

- (p) Toxic Pollution Prevention Program – Chapter 455B.517(2) states the Department shall develop and implement a toxic pollution prevention program.

The Department has not developed the required program.

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- (q) Toxic Pollution Forums – Chapter 455B.517(9) states the Department shall provide a forum for public discussion and deliberation of toxic substances and toxic pollution prevention.

The Department has not provided the required public forum.

- (r) Criteria for Toxic Pollution Prevention Plans – Chapter 455B.518(2) states the Department shall adopt criteria for the information required in a multimedia toxic pollution prevention plan. Also, the economic analysis shall include an evaluation of the impact upon the toxic user's existing labor force by the Division or Department and the projected impact upon future expansion of the toxic user's labor force; a clear statement listing specific reduction objectives and a method for employees of a toxic user to provide input and be involved in the development of the plans.

The Department has not complied with this Code section.

- (s) Toxic Pollution Prevention Plans – Chapter 455B.518(5) states a toxic user shall maintain a copy of the plan on the premises and shall submit a summary of the plan to the Department.

The Department does not receive a summary of the Toxic Pollution Prevention Plan for toxic users.

- (t) Duties of the Commission – Chapter 455D.7(4) states the Commission shall annually recommend to the General Assembly the imposition of waste abatement fees, rebates and deposits.

The Department has not reported to the General Assembly the imposition of waste abatement fees, rebates, and deposits.

- (u) Deposits, Rebates and Waste Abatement Fees – Chapter 455D.8 states the Commission shall recommend annually to the General Assembly deposits, rebates and waste abatement fees on elements of the waste stream when necessary to encourage waste reduction and the recycling and recovery of useful components of the waste stream or to encourage proper management and disposal of components which cannot be recycled or recovered.

The Commission has not complied with this Code section.

- (v) Waste Volume Reduction – Chapter 455D.15(3)(f) allows the Department to use up to 10% of the Waste Volume Reduction and Recycling Fund to administer the provisions of Chapter 455D.15.

The Department did not provide supporting documentation to demonstrate no more than 10% of the Waste Volume Reduction and Recycling Fund was used to administer the provisions of Chapter 455D.15.

- (w) Annual Report Requirement – Chapter 455E.8(2) states the Department shall include the number and concentration of contaminants detected in the groundwater in the annual report required by Chapter 455A.1.

The Department has not submitted the required information.

- (x) Contamination of Groundwater – Chapter 455E.8(3) states the Director shall report any data concerning contamination of groundwater by a contaminant not regulated under the federal Safe Drinking Water Act to the United States Environmental Protection Agency along with a request to establish a maximum contaminant level and to conduct a risk assessment for the contaminant.

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A request to conduct a risk assessment for the contaminant has not been conducted.

- (y) Ground Water Protection – Chapter 455E.8(10) states the Department, in conjunction with the Department of Education and the Department of Environmental Education at the University of Northern Iowa, shall develop a program regarding water quality.

The Department has not consulted directly with the University of Northern Iowa.

- (z) Agricultural Easement Program – Chapter 456B.11 states the Department shall develop and implement a program for the acquisition of wetlands and conservation easement on and around wetlands which result from the closure or change in the use of agricultural drainage wells.

It could not be determined whether the Department has complied with this requirement.

- (aa) Inventory of Protected Wetlands – Chapter 456B.12 states the Department shall inventory the wetlands and marshes of each county and make preliminary designation as to which constitutes protected wetlands. Also, the Director shall issue an order designating the protected wetlands in the county within sixty days following the completion of the hearing or the issuance of a mediation release.

The Department has not complied with this provision.

- (bb) Protection of Wetlands – Chapter 456B.13(2) states the Department shall refuse a permit to drain a protected wetland unless it met one the following conditions: the protected wetland is replaced by the applicant with a wetland of equal or greater value as determined by the Department or the protected wetland does not meet the criteria for continued designation as a protected wetland.

The Department has not complied with this provision.

Recommendation – The Department should comply with the Code of Iowa or seek to have the provisions changed or repealed.

Response –

- (a) The Department originally established a toll free number for this purpose. This number received many non-pollution related calls, and the Department, in an attempt to solicit more effective and responsive citizen participation, changed to the current program. The Department now maintains a statewide "Spill Hotline" paid line (a 24 hour/365 day service) and has added more phone lines to the six regional field offices across Iowa. In addition, the Department has increased its web presence to facilitate citizen reports and at least one person from each of the six Environmental Services field offices is always on call. When the toll free number was active, it received less than 300 reports. Currently, the Department receives nearly 3000 reports or complaints of environmental violations. This Code section was repealed in 2011 by Senate File 299.
- (b) Iowa Code section 455B.150 creates the Compliance Advisory Panel and requires that the panel consist of 2 persons appointed by the Governor, 4 persons appointed by the leadership of the General Assembly, and the Department's Director, or designee. As of today, these appointments remain unfilled. The Panel has never been fully appointed since the requirement was

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established in the 1990 federal Clean Air Act amendments. Appointments made by past administrations have expired and there are no current appointments. A timeline of previous appointments, primarily from the Governor, is available. The Department has notified the leadership at the Legislature and Governor's Office regarding this matter. The Department continues to work with the representatives of the Iowa Waste Reduction Center, the Department's Pollution Prevention Services, the Iowa Department of Economic Development, and representatives of small business to address the needs of small businesses until the Panel is fully appointed. The Department will convene the Panel once fully appointed.

- (c) Iowa Code chapter 455B.187 requires well contractors to provide to the Department and the Iowa Geological Survey (IGS) well information required by rule. The Department adopted the rule found in 567 Iowa Administrative Code (IAC) 82.12(455B) titled "Certified well contractor obligations." Subrule 82.12(1) requires submission of drilling records and drill cut samples when required or as otherwise directed by the Department with the information established under 82.12(2) and (3). The standard timeframe in this rule is within 30 days of completion of any well.

In 2010 the Department/IGS received 1,044 drillers logs, which are the records of wells drilled as submitted by the well drillers, totaling 246,083 feet of well drilling. In addition, the Department/IGS was provided with chip samples from 156 wells totaling 41,472 feet of drilling and core samples from 33 wells, totaling 9,064 feet of drilling. The Department believes that this represents information for the majority of the municipal public water supply wells drilled in Iowa in 2010.

In response to the State Auditor's finding, the Department plans to seek input from stakeholders, including well drillers, to determine the appropriate time period to allow for submittal of this information. The thirty day requirement set out in the Code may be unnecessarily short since the Department does not need the information required by the rule that quickly. The Department believes that a longer period of time would be appropriate. The Department will recommend that this Code section be amended during the 2012 legislative session.

- (d) As of December 31, 2010, the average turnaround time for new and modified permits was 80 days and the turnaround time for renewals was 99 days. These turnaround times are from the date the application was received regardless of whether the application was complete. Waiting for additional information can extend the turnaround time substantially. The Department plans to take steps to shorten the turnaround time in the future.
- (e) Since the mid-1980's, the management of hazardous wastes is administered in the state by the United States Environmental Protection Agency (US EPA) through the Resource Conservation and Recovery Act (RCRA) Subchapter III program. As a result, the Legislature has periodically suspended applicable sections of the Code pertaining to these activities. During the 2000 Legislative session (2000 Iowa Acts Chapter 1073, HJ 1366) the Legislature partially suspended this subsection indefinitely. This Code section was repealed in 2011 by Senate File 299.

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- (f) Since the mid-1980's, the management of hazardous wastes is administered in the state by the US EPA through the Resource Conservation and Recovery Act (RCRA) Subchapter III program. As a result, the Legislature has periodically suspended applicable sections of the Code pertaining to these activities. During the 2000 Legislative session (2000 Iowa Acts Chapter 1073, HJ 1366) the Legislature partially suspended this subsection and Section 455B.415 which is referenced in 455B.412(3) indefinitely. This Code section was repealed in 2011 by Senate File 299.
- (g) Since the mid-1980's, the management of hazardous wastes is administered in the state by the US EPA through the Resource Conservation and Recovery Act (RCRA) Subchapter III program. As a result, the Legislature has periodically suspended applicable sections of the Code pertaining to these activities. During the 2000 Legislative session (2000 Iowa Acts Chapter 1073, HJ 1366) the Legislature partially suspended this subsection and Section 455B.415 which is referenced in 455B.413(2) indefinitely. This Code section was repealed in 2011 by Senate File 299.
- (h) Since the mid-1980's, the management of hazardous wastes is administered in the state by the US EPA through the Resource Conservation and Recovery Act (RCRA) Subchapter III program. As a result, the Legislature has periodically suspended applicable sections of the Code pertaining to these activities. During the 2000 Legislative session (2000 Iowa Acts Chapter 1073, HJ 1366) the Legislature partially suspended this subsection indefinitely. This Code section was repealed in 2011 by Senate File 299.
- (i) This Code section was repealed in 2011 by Senate File 299.
- (j) No one has been authorized to bury hazardous waste in Iowa. This Code section was repealed in 2011 by Senate File 299.
- (k) 455B, Division IV, Part 9 that includes this subsection deals with all types of waste with a heavy emphasis on regulated hazardous waste. Since the mid-1980s, the regulation of hazardous wastes is administered in the state by the US EPA through the Resource Conservation and Recovery Act (RCRA) Subchapter III program. The legislature has periodically suspended applicable sections of the Code pertaining to hazardous waste regulation. Code references pertaining to a hazardous waste regulatory program were repealed in 2011 by Senate File 299. For this reason there was nothing to report on regarding regulated hazardous waste. Information on solid waste and low-level radioactive waste has been provided to the Governor and General Assembly over the years including annual reports on non-regulated household hazardous waste and low-level radioactive waste. Therefore, the Department will recommend that this subsection be rescinded during the 2012 legislative session.
- (l) Since the mid-1980s, the regulation of hazardous wastes is administered in the state by the US EPA through the Resource Conservation and Recovery Act (RCRA) Subchapter III program. As a result, the Department does not solicit proposals for hazardous waste research or to develop management practices. Other sections of the Code that made references to a regulated hazardous waste program were rescinded during the 2011 legislative session by Senate File 299. Therefore, the Department will recommend that this subsection be rescinded during the 2012 legislative session.



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- (m) The Department attempted rulemaking on a couple of occasions in the early and mid 90s. These attempts were quite contentious and no consensus could be reached. In 1993, the legislature (Iowa Acts Chapter 103, SF 290) placed a moratorium on the permitting of infectious waste treatment facilities until the Department developed rules. The Department was directed to develop rules by January 15, 1994. In 1999 (1999 Iowa Acts Chapter 46, HF 489) the legislature extended the moratorium without any specified due date for rulemaking. Currently there are no such facilities in the state to regulate and infectious waste is shipped out of state for proper treatment and disposal. While there have been inquiries from interested parties over the years as to when the moratorium may be lifted, there has not been any demand for rulemaking. If and when a petition for rulemaking is received by the Department, rulemaking will commence.
- (n) The Iowa Department of Transportation regulates the collection or transport of infectious medical waste through its adoption of the relevant Federal regulations (49 CFR). This Code section was repealed in 2011 by Senate File 299.
- (o) The Toxic Pollution Prevention Program requires large Iowa industries to file toxics reduction plans with the Department. The statute is very prescriptive as to what needs to be included in these plans. The Department is required to review the submitted plans for accuracy and completeness. There is no clear authority for the Department to address those situations when plans are not developed or submitted, or are submitted but are deemed inaccurate or incomplete. In lieu of this, the Department uses a voluntary approach through its Pollution Prevention Services program. This confidential service assists Iowa businesses in reducing wastes across all environmental media. The program addresses most of the components that are stipulated in 455B.517 and 455B.518 but in a less prescriptive manner. The end result is that businesses who participate in this program increase profits, operate more efficiently and improve the environment through pollution prevention practices. Therefore, the Department will recommend that this subsection be rescinded during the 2012 legislative session.
- (p) The Toxic Pollution Prevention Program requires large Iowa industries to file toxics reduction plans with the Department. The statute is very prescriptive as to what needs to be included in these plans. The Department is required to review the submitted plans for accuracy and completeness. There is no clear authority for the Department to address those situations when plans are not developed or submitted, or are submitted but are deemed inaccurate or incomplete. In lieu of this, the Department uses a voluntary approach through its Pollution Prevention Services program. This confidential service assists Iowa businesses in reducing wastes across all environmental media. The program addresses most of the components that are stipulated in 455B.517 and 455B.518 but in a less prescriptive manner. The end result is that businesses who participate in this program increase profits, operate more efficiently and improve the environment through pollution prevention practices. Therefore, the Department will recommend that this subsection be rescinded during the 2012 legislative session.
- (q) The Department regularly conducts meetings and workshops that target reducing pollution from industry through its Pollution Prevention Services activities. Therefore, the Department will recommend that this subsection be rescinded during the 2012 legislative session.

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- (r) The Toxic Pollution Prevention Program requires large Iowa industries to file toxics reduction plans with the Department. The statute is very prescriptive as to what needs to be included in these plans. The Department is required to review the submitted plans for accuracy and completeness. There is no clear authority for the Department to address those situations when plans are not developed or submitted, or are submitted but are deemed inaccurate or incomplete. In lieu of this, the Department uses a voluntary approach through its Pollution Prevention Services program. This confidential service assists Iowa businesses in reducing wastes across all environmental media. The program addresses most of the components that are stipulated in 455B.517 and 455B.518 but in a less prescriptive manner. The end result is that businesses who participate in this program increase profits, operate more efficiently and improve the environment through pollution prevention practices. Therefore, the Department will recommend that this subsection be rescinded during the 2012 legislative session.
- (s) The Toxic Pollution Prevention Program requires large Iowa industries to file toxics reduction plans with the Department. The statute is very prescriptive as to what needs to be included in these plans. The Department is required to review the submitted plans for accuracy and completeness. There is no clear authority for the Department to address those situations when plans are not developed or submitted, or are submitted but are deemed inaccurate or incomplete. In lieu of this, the Department uses a voluntary approach through its Pollution Prevention Services program. This confidential service assists Iowa businesses in reducing wastes across all environmental media. The program addresses most of the components that are stipulated in 455B.517 and 455B.518 but in a less prescriptive manner. The end result is that businesses who participate in this program increase profits, operate more efficiently and improve the environment through pollution prevention practices. Therefore, the Department will recommend that this subsection be rescinded during the 2012 legislative session.
- (t) The Department makes recommendations to the General Assembly via legislative proposals. The Environmental Protection Commission submits an annual plan to the General Assembly and votes on which items should be included. This topic has not yet been selected for inclusion. The Department will recommend that this subsection be rescinded during the 2012 legislative session.
- (u) The Department makes recommendations to the General Assembly via legislative proposals. The Environmental Protection Commission submits an annual plan to the General Assembly and votes on which items should be included. This topic has not yet been selected for inclusion. This Code section was repealed in 2011 by Senate File 299.
- (v) The sole funding source for the Waste Volume Reduction and Recycling Fund is a portion of the penalty money the Iowa Attorney General's office collects from environmental violations. It is capped at \$100,000 annually per Iowa Code section 29C.8A. The fund has been used to assist the Department's Business Assistance and Pollution Prevention Program primarily as a match for Federal grants. Typically the Department receives one dollar of federal monies for each dollar used from the fund. The Business Assistance and Pollution Prevention Program works with public and private entities on waste reduction, recycling and pollution prevention efforts. The Department intends to propose legislation

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for the 2012 session to revise this subsection so it reflects how the monies are actually being used.

- (w) The Iowa Geological and Water Survey has historically maintained a groundwater monitoring network to collect this type of information, but had to suspend the work several years ago due to inadequate funding. However, when groundwater quality information is obtained through other sampling efforts, it is maintained in a water quality database that is accessible by Iowans. In addition, groundwater quality information that is collected and submitted to the Department for program specific areas (such as landfills, underground storage tanks, or other industrial sites) is available through the Land Quality Bureau. Groundwater contaminant information is provided to the US EPA by various programs, including contaminants not regulated by the federal Safe Drinking Water Act (when detected).

This information is currently collected, analyzed, and provided from a number of program specific sources and is made available to those who need it. The Department believes that a single consolidated report would not provide a benefit commensurate with the level of effort for preparation. For these reasons, the Department will recommend that this subsection be rescinded during the 2012 legislative session.

- (x) The Iowa Geological and Water Survey has historically maintained a groundwater monitoring network to collect this type of information, but had to suspend the work several years ago due to inadequate funding. However, when groundwater quality information is obtained through other sampling efforts, it is maintained in a water quality database that is accessible by Iowans. In addition, groundwater quality information that is collected and submitted to the Department for program specific areas (such as landfills, underground storage tanks, or other industrial sites) is available through the Land Quality Bureau. Groundwater contaminant information is provided to the US EPA by various programs, including contaminants not regulated by the federal Safe Drinking Water Act (when detected).

While the Department will continue to collect and analyze this information, the Department will recommend that this subsection be rescinded during the 2012 legislative session.

- (y) The Department works closely with educators across the State to develop and provide materials and messages that addresses water quality. The Department distributes books, pamphlets, flyers, and other printed materials to schools. The Department developed a project with the Grant Wood AEA to develop tools for school districts in order to meet the new Iowa Core Curriculum requirements for science. The Department is continuing to work with the Grant Wood AEA through the IOWATER program to expand problem-based and inquiry in science teaching to all school districts in cooperation with the ten AEAs. In 2011, the Department began a contract with the University of Northern Iowa to support environmental education in K-12 schools and align the IOWATER program with Iowa Core Curriculum and State Environmental Literacy goals. Staff members also present information to students in the areas of geology and water quality. A groundwater basics book was created and distributed to all schools and public libraries.

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The Department believes that the current “contract with the University of Northern Iowa to support environmental education in K-12 schools” results in compliance with this requirement.

- (z) The Department is always interested in working with willing landowners to restore wetlands, however the Department has not developed a specific program for the acquisition of wetlands and conservation easements resulting from the closure of agricultural drainage wells. Two reasons have prevented the Department from developing a program:

1. The Department has a strong interest in restoring wetlands however, acquiring highly productive farmland, either by easement or fee simple, is very expensive. The Department has usually relied on federal funding for the acquisition of wetlands. The funding source identified in the Code of Iowa already has Code-designated purposes. The Department receives only 2% of the Agriculture Management Account for administration purposes and the balance is distributed to other entities. Additional sources of funding would be necessary for the successful implementation of any new program.
2. The Department has worked closely with the Iowa Department of Agriculture and Land Stewardship in our mutual efforts to reduce the negative impacts of agricultural drainage wells. The IDALS agricultural drainage well closure program has had adequate funding and good landowner participation in its effort to close wells by cost-sharing alternative drainage systems. Although Iowa Code section 460.304 allows IDALS to use agricultural drainage well closure funding for alternatives such as restoration of wetlands, landowners are far more interested in continuing to farm the land. Farmers prefer assistance with alternative drainage more than wetland restoration. To date, IDALS has found little landowner interest in the alternative to restore wetlands.

Nothing prevents the Department from working with landowners to convert land around an agricultural drainage well. This programmatic requirement, without sufficient funding, will not result in anything more than is currently available. The Department will recommend that this subsection be rescinded during the 2012 legislative session.

- (aa) This program was never established because the current Federal regulations exceed the protection this Code requirement would offer. The inventory of wetlands and marshes was completed, but hearings were not conducted in each county by the Director. The Department does allow landowners to claim a property tax exemption on lands designated as protected wetlands. Current Federal regulations (Section 404 and State 401 Certification under the Clean Water Act) accomplish the same regulation or more than this Code section, as this section only regulates pothole type wetlands classified as “Type 3, 4, or 5.” This wetland classification is outdated and fails to recognize other wetland types such as forested wetlands, fens, and sedge meadows. It also exempts wetlands located in drainage or levee districts. See Iowa Code section 456B.1. The Department will recommend that this subsection be amended during the 2012 legislative session to include the most recent federal wetland classification system, to address all wetlands, and to identify the appropriate public outreach tool.

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- (bb) This program was never established because the current Federal regulations exceed the protection this Code requirement would offer. Current Federal regulations (Section 404 and State 401 Certification under the Clean Water Act) accomplish the same or more than this Code section, as this section only regulates pothole type wetlands classified as “Type 3, 4, or 5.” This wetland classification is outdated and fails to recognize other wetland types such as forested wetlands, fens, and sedge meadows. It also exempts wetlands located in drainage or levee districts. See Iowa Code section 456B.1. The Department will recommend that this subsection be amended during the 2012 legislative session to include the most recent federal wetland classification system, to address all wetlands, and to identify the appropriate public outreach tool.

Conclusion – Response acknowledged. The Department should comply with the Code of Iowa or seek to have the provisions changed or repealed.

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**Staff:**

Questions or requests for further assistance should be directed to:

Deborah J. Moser CPA, Manager  
Tracy L. Daugherty, CPA, Senior Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Steven O. Fuqua, CPA, Senior Auditor II  
Michael R. Field, Senior Auditor  
Jessica P. V. Green, Staff Auditor  
Alison P. Herold, Staff Auditor  
Jennifer M. Kopp, Staff Auditor  
Jessica N. Meierotto, Staff Auditor  
Marta M. Sobieszkoda, Staff Auditor  
Kassi D. Adams, Assistant Auditor  
Brett A. Hoffman, Assistant Auditor